

Approved December 4, 2003

WORKING CAPITAL FUND BOARD
Minutes of the Meeting
August 27, 2003

1. Introduction

The Board Chair Howard Borgstrom called the meeting to order.

2. Approval of Minutes July 16, 2003 Meeting

The Board adopted the minutes of the July 16 meeting without changes.

3. Third Quarter Financial Report

Howard Borgstrom presented the financial position of the Fund after nine months of operations in FY 2003. The Fund posted net earnings of \$0.6 MM on \$65.6 MM of earnings. Detailed discussion of the financial performance for each business with net earnings greater than \$50,000 is included in the report. The Fund collected \$96.3 million from customers and there were no violations of administrative control of funds procedures. The report is posted on the WCF Website for review.

The Board recognized the efforts of Louis D'Angelo and his staff to address the issues raised at the last Board meeting and his clear and positive communications with customers.

4. Indirect Study

Howard Borgstrom presented the findings of the Indirect Study which was mandated by earlier Inspector General reviews of the WCF. The Study found that as in past years, unbilled business costs related to federal employees and their related expenses equal 15% of the costs billed to customers. The Study is posted on the WCF Website for review.

5. Report of the Dispute Resolution Council

Richard Tedrow, Chair of the Dispute Resolution Council, presented the findings of the Council to the Board. Pete Johnson from the Office of Security briefed the Board on optional billing proposals for DOEnet for both FY 2004 and FY 2005. After some discussion, the Board accepted method 2 for both years. Method 2 allocates DOEnet fixed costs over all sites on a prorata basis and charges each site for individual site line costs. Further because of a sense that the landlords at the node sites were supporting the remote sites, any savings expected from DOEnet costs would be distributed to the node sites first. Considering savings projected for FY 2004 and beyond, Robert Porter of Western asserted it would accept the FY 2003 charges in full.

6. Project Management Career Development Program

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The Chair introduced the business plan for the PMCDP and opened discussion by the Board. After considerable discussion the Board approved starting the new business and basing first year charges, \$2.5 MM, 50% on PARS data and 50% on participant data. The final half of customer charges for the year will be based on a revised participant roster due to the Board in February. Otherwise the corrected amounts in the proposed distribution will be used for the FY 2005 budget.

7. Purchase Card Surveillance

Steve Mournighan presented the plan for this business to the Board. After discussion, the Board approved adding this business segment to the Contract Closeout Business.

8. Professional Skills Training

Jerome Butler addressed the Board with a proposal to add fee-for-service training into the Fund. The Board approved the proposal and added this business segment to the Online Learning Center under the new name Training Services. The Board asked the business to provide each program with specific employee information related to charges on a monthly basis, similar to the supply store certification lists.

9. Flexible Spending Account Administrative Costs

George Tengan addressed the Board on the procedures developed to assign these administrative costs to individual employees and to charge their respective programs for related expenses in the Payroll business. The Board asked the business to provide each program with specific employee information related to charges.

10. Cell Phones

Bob Emond provided the Board with an overview of a proposal to add cell phones to the existing telephone business. The Board accepted adding this business segment to the telephone business but insisted that monthly certification must be maintained.

11. The Board voted to adjourn

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Representing the Board

ME Howard Borgstrom
CIO Gordon Errington
NA Dorsey Hibbitts
EM Michael Kleinrock
EI Steve Durbin
NE Lang Soo Hoo
SO Rose Jordan
OA Lesley Gasperow

EH Roni Parham
SC Kathryn Chantry
RW Richard Minning
EE Steven Lee
GC Isiah Smith
WT Mike Mescher
PML Robert Porter
PI Jon Mathis

ATTENDEES:

Laura Brown – PA/CI
Maria Northington – PA/CI
Dick Tedrow - HG
John Bullock – IM
Harrison Pease – PML
Jack Dodd – PML
David Holland – PML
Jenise Fonville-Noels – IG
Gloria Jennings - IG
Maria Jones – FE
Richard Otis - IM
Penny Gardner – IM
Theanne Gordon – IM
Coreen Leonard – IM
Zandra Acree - CN
Laura Rodin – IM
Rod Witchey – IM

ME
Mary Anderson
Enid Levine
George Tengan
Bob Emond
Dianne Cane
Steve Mournighan
Tony Nellums
Deborah Black
Joanne Whitman
Jill Spargur
Jerome Butler
Robert Joyce
Roscoe Harris
Bob McMullan
Walter Howes
Dottie Van Steinberg
Gerald Venanzi

ME